

## Credit card protection offers

**“I got a call from a woman who said I need credit card loss protection insurance. I thought there was a law that limited my liability to \$50 for unauthorized charges. But she said the law had changed and that now, people are liable for all unauthorized charges on their account. Is that true?”**

Do not buy the pitch – and do not buy the “loss protection” insurance. Telephone scam artists are lying to get people to buy worthless credit card loss protection and insurance programs. If you did not authorize a charge, do not pay it. Follow your credit card issuer’s procedures for disputing charges you have not authorized. Your liability for unauthorized charges is limited to \$50.

### Credit card loss

Your maximum liability under federal law for unauthorized use of your credit card is \$50. If you report the loss before your credit cards are used, the Fair Credit Billing Act (FCBA) says the card issuer cannot hold you responsible for any unauthorized charges. If unauthorized charges occur on your cards before you report them missing, the most you will owe is \$50 per card.

Also, if the loss involves your credit card number, but not the card itself, you have no liability for unauthorized use.

After the loss, review your billing statements carefully. If they show any unauthorized charges, it is best to send a letter to the card issuer describing each questionable charge.

Again, tell the card issuer the date your card was lost or stolen, or when you first noticed unauthorized charges, and when you first reported the problem to them. Be sure to send the letter to the address provided for billing errors. Do not send it with a payment or to the address where you send your payments unless you are directed to do so.

### Worthless offers

Worthless credit card loss protection offers are popular among fraudulent promoters who are trying to exploit unsure consumers. As a result, the Bureau of Consumer Protection is cautioning consumers to avoid doing business with callers who claim that:

- You are liable for more than \$50 in unauthorized charges on your credit card account.

- You need credit card loss protection because computer hackers can access your credit card number and charge thousands of dollars to your account.
- A computer bug could make it easy for thieves to place unauthorized charges on your credit card account.
- They are from “the security department” and want to activate the protection feature on your credit card.

### Protecting your cards

If your credit card is lost or stolen, it can certainly be inconvenient. But beware of crooks that use scare tactics and false information to sell protection that consumers do not need.

### Your credit card issuer may offer extra protection for free.

Most card issuers have voluntary policies to remove unauthorized charges completely if consumers report them as soon as they discover them. Ask if you are not sure what your issuer’s policy is.

### Watch out for impostors.

Someone may claim to be connected with your credit card issuer and ask to “verify” your account number to make sure

you are protected. Your real credit card issuer does not need your account number; it already has it.

**Be cautious about emails that offer credit services.** Almost all unsolicited emails are fraudulent.

**Protect yourself against credit card fraud.** Do not leave your card lying around your home or office where others can see it, and do not lend it to anyone. If you want someone else to be authorized to use your account, make those arrangements through your card issuer. Only give your credit card number when you are actually making a purchase.

**Check your credit card bills carefully as soon as you receive them.** Follow the instructions on your bill for questioning or disputing charges. Do not send a note with your payment, since a separate department usually handles disputes. Make copies of any forms or letters that you send your credit card issuer about the dispute, and be sure to pay the rest of your bill on time.

**Be prepared in case your card is lost or stolen.** Keep a file with your credit card issuer's name and telephone number and your account number. Have this separate from your purse or wallet in case it is stolen, too.

The Bureau of Consumer Protection advises consumers not to give out personal information – including their credit card or bank account numbers – over the phone or online for any product unless they are familiar with the

business and have initiated the contact.

Scam artists can use your personal information to commit fraud, such as identity theft. ID theft occurs when someone uses some piece of your personal information, such as your credit card number, Social Security number, mother's maiden name, or birth date, without your knowledge or permission to commit fraud or theft – an example is when an identity thief uses your personal information to open a credit card account in your name.

For more information or to file a complaint, visit our website or contact the:

**Bureau of Consumer Protection  
2811 Agriculture Drive  
PO Box 8911  
Madison WI 53708-8911**

**E-MAIL:  
DATCPHotline@wi.gov**

**WEBSITE:  
datcp.wi.gov**

**(800) 422-7128**

**FAX: (608) 224-4677**

**TTY: (608) 224-5058**